

UTILITY TRENDS

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City Light's Integrated Resource Plan (IRP)

Recently, Seattle City Light updated its Integrated Resource Plan (IRP), a revision that takes place every two years. This document is critical for City Light because it keeps us ahead of the curve, identifying how much and what kind of additional power the utility will need through 2027.

The IRP forecasts that we'll meet future demand requirements by evaluating potential generation and conservation resources using four criteria: reliability, cost, environmental impact and risk.

An overview of our future resources begins with conservation, which is our resource of first choice. City Light has launched a new five-year plan that will double the utility's current conservation goals by increasing customer incentives and adding new programs.

Another resource is our seasonal power exchanges. City Light sees its peak demand in the winter months while California utilities experience peak demands in the summer months – when City Light has surplus power.

Working out cost-effective seasonal power exchanges is beneficial for all parties and does not require the purchase of new generation resources.



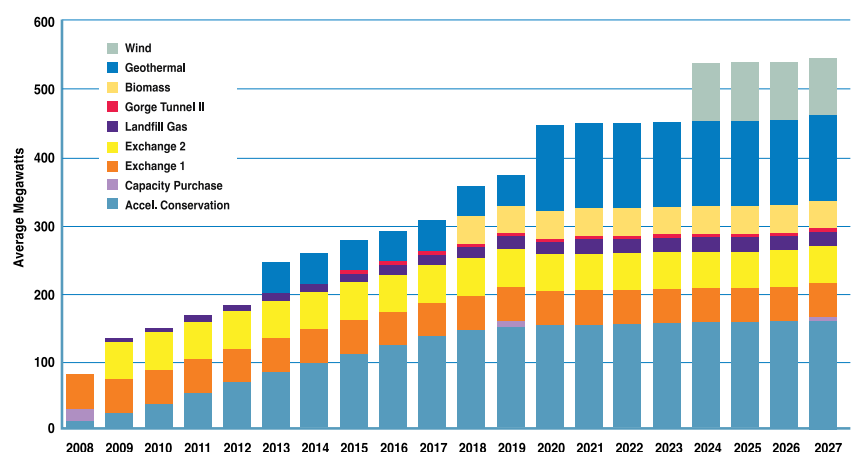
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The Bonneville Power Administration (BPA) has traditionally provided 40 percent of City Light's power. In 2011, we plan to secure a new 20-year contract with BPA, which will ensure the continued availability of clean, low-cost, hydro power.

City Light is also investigating renewable resources including landfill gas, geothermal, biomass, wind, and hydro efficiency projects. These may be needed after 2012 in order to meet the renewable resource requirements of Washington State Initiative I-937. When those new resources are needed, the lowest-cost, renewable resources will be acquired first.

This graph shows the recommended portfolio through 2027.

Recommended Portfolio to Meet Winter Resource Needs and Initiative 937



Seattle City Light to double conservation savings



"Our goals are straightforward: maintain a healthy economy, reduce climate pollution and create new, green jobs."

- Mayor Greg Nickels

In August, Mayor Greg Nickels announced an ambitious new program that doubles Seattle City Light's energy conservation in the next five years. It's called "The Five-Year Conservation Action Plan," and goes beyond Washington State Initiative I-937, a law that requires electric utilities with more than 25,000 customers to get 15 percent of their power from new, renewable energy sources by 2020.

City Light's energy demands are expected to increase more than one percent annually so the need for conservation is clear. To meet the challenge, the new conservation effort calls for \$185 million to be invested in dozens of efficiency programs that will save customers more than \$310 million in their residential and business bills, and create more than a thousand green jobs. So much energy will be saved, it's equivalent to building a new dam.

"Conservation is the best strategy to meet our energy needs," said Nickels. "Our goals are straightforward: maintain a healthy economy, reduce climate pollution and create new, green jobs."

Since City Light's conservation efforts began 30 years ago, customers have saved more than half a billion dollars, with an estimated \$63 million in projected savings for 2008. The Five-Year Conservation Action Plan builds on that legacy, and is currently funded in the Mayor's proposed 2009-2010 biennial budget.

City Light ready for storm season with system-wide improvements

Bad weather, earthquakes, other natural disasters — all these events impact City Light's ability to provide electrical service to its customer. With the storm season here, we want you to know that City Light has improved the way it manages and responds to power outages.

City Light has developed a Continuity of Operations Plan (COOP), which offers detailed descriptions of how essential utility functions are maintained during a wide range of emergencies. Procedures include providing for staff safety; protecting utility assets; mitigating operational disruptions; achieving a timely recovery; and restoring power as quickly as possible. To ensure better

communications and cooperation, the COOP was prepared in coordination with local, county, state, and federal agencies.

To advance emergency preparedness, City Light has also established:

- an external review process;
- employee training and table-top exercises;
- a Department Operations Center (DOC) that supports response efforts;
- plans for both pandemic influenza and earthquakes.

In addition, City Light has implemented the majority of improvements recommended by an independent consulting firm in its 2006 Windstorm After-Action Report.

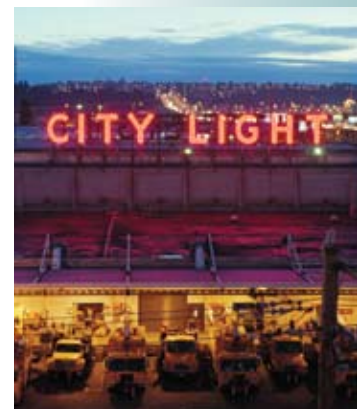


Contacts Us

Seattle City Light's Account Executive Office works with the Utility's largest commercial and industrial key customers to address their unique business requirements. Our goals: to provide excellent customer service, advocacy and tailored solutions. For information, please call Sheree Hall at (206) 684-3331 or email at sheree.hall@seattle.gov. Visit the Account Executive Office Web site: www2.cityofseattle.net/light/key

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Seattle City Light is a publicly owned utility dedicated to exceeding our customers' expectations in producing and delivering low cost, reliable power in an environmentally responsible and safe way. We are committed to delivering the best customer service experience of any utility in the nation.

Utility Trends is a publication of Seattle City Light's Account Executive Office.
www2.cityofseattle.net/light/key

Autumn happenings

September 23

The Western Climate Initiative (WCI) issued recommendations for its design of the WCI regional cap-and-trade program. Measurement and monitoring of greenhouse-gas (GHG) emissions is a foundational piece of the program. While reporting is mandatory for some companies with emissions equal to or greater than the state and WCI thresholds, many companies with lower thresholds may voluntarily opt to report their GHG emissions through programs such as the Seattle Climate Partnership and The Climate Registry, which supports mandatory and voluntary reporting.

October 28

The Washington Department of Ecology, Seattle City Light, the Seattle Climate Partnership and The Climate Registry jointly hosted a workshop at City Hall to discuss mandatory and voluntary GHG emissions reporting. The workshop, "Understanding Reporting Compliance in Cap-and-Trade Systems," helped companies understand each of the reporting categories and determine the one that applies to them. Workshop panelists included Jay Manning, director of the Washington Department of Ecology; Diane Wittenberg; executive director of The Climate Registry; and other business and industry representatives.

October 29

City Light held its second annual Outage Management and Preparedness Forum, providing an opportunity for City Light to update customers regarding its preparedness improvements. Utility officers and senior managers discussed emergency business planning, and response and restoration for storm events and other occurrences.

If you missed these events and would like information on their content, please contact Ray Hellwig at (206) 684-3673.